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7

8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **WESTERN DIVISION**

11 DAVID A. GILL, solely in his capacity as)
Permanent Receiver in the matter of)
12 *Securities and Exchange Commission vs.*)
Diversified Lending Group, Inc.,; Applied)
13 *Equities, Inc.; Bruce Friedman and Tina*)
Placourakis, U.S.D.C. Case No. CV 09-)
14 01533-R-SS,)

15 Plaintiff,

16 vs.

17 ELIZABETH VERSTEN, an individual,)
and LIZZI'S HEAVENLY STUFF, INC.,)
18 a California corporation,,)

19 Defendants.
20

Case No. CV 10-01500-R-SS

**ORDER FINDING ELIZABETH
VERSTEN AND LIZZI'S
HEAVENLY STUFF, INC., IN
CONTEMPT**

Date: June 27, 2011

Time: 11:00 a.m.

Place: Courtroom "8" - 2nd Floor
312 N. Spring Street
Los Angeles, CA 90012

21 The Court entered an order on June 1, 2011, directing defendants Elizabeth
22 Versten ("Versten") and Lizzi's Heavenly Stuff, Inc., to show cause at the above-
23 referenced time and place why they should not be held in contempt of court for their
24 failure to comply with the Court's Order dated March 21, 2011, that they transfer
25 50% of the stock of Lizzi's Heavenly Stuff, Inc., to the Receiver. George E.
26 Schulman, Danning, Gill, Diamond & Kollitz, LLP, appeared for the Receiver, who
27 was also present pursuant to subpoena. Joseph Markowitz appeared for the
28 Defendants. Also present was the Defendant Elizabeth Versten.

1 Having considered the arguments of counsel, heard testimony from the
2 Receiver at the request of the Defendants, and noted that its prior order had directed
3 that 50% of the stock in Defendant Lizzi's Heavenly Stuff, Inc., be transferred to the
4 Receiver but that this transfer had not occurred, and good cause appearing:

5 IT IS HEREBY ORDERED that:

6 1. Defendants Elizabeth Versten and Lizzi's Heavenly Stuff, Inc.
7 ("Defendants"), are held in contempt of court pursuant to Rule 70(e) of the Federal
8 Rules of Civil Procedure.

9 2. Within 10 days from the date of this order, Defendants shall complete
10 the transfer to the Receiver of 50% of the stock in Defendant Lizzi's Heavenly Stuff,
11 Inc., in accordance with the Court's orders dated March 21, 2011, and April 25, 2011.
12 Should they fail to do so, Defendant Elizabeth Versten shall surrender forthwith and
13 be held in custody until such time as she complies with the Court's order.

14
15
16 Dated: July 1, 2011



MANUEL L. REAL
United States District Judge

1 **PROOF OF SERVICE**

2 I, Cheryl Caldwell, declare:

3 I am employed by the law firm of DANNING, GILL, DIAMOND &
4 KOLLITZ, LLP, in the County of Los Angeles, State of California. I am employed
5 in the office of a member of the bar of this court at whose direction the service was
6 made. I am over the age of 18 years and am not a party to the within action. My
7 business address is 2029 Century Park East, Third Floor, Los Angeles, California
8 90067-2904.

9 On July 1, 2011, I served the following document(s):
10 **PLAINTIFF'S OBJECTION TO SUBPOENA TO APPEAR AND TESTIFY**
11 **AT A HEARING OR TRIAL IN A CIVIL ACTION** on the interested parties
12 addressed as follows:

13 **Served By U.S. Mail and Email**

Courtesy Copy – Served By Email only

14 **Counsel for Defendants Elizabeth**
15 **Versten and Lizzi's Heavenly Stuff,**
16 **Inc.**

17 Joseph C. Markowitz, Esq.
18 Law Offices of Joseph C. Markowitz
19 444 S. Flower Street, Suite 1750
20 Los Angeles, CA 90071

21 **E-mail: jcmarkowitz@gmail.com**

Counsel for SEC Action Plaintiff

John M. McCoy, III, Esq.
Securities and Exchange Commission
5670 Wilshire Boulevard, 11th Floor
Los Angeles, CA 90036

E-mail: mccoyj@sec.gov

22 (By Mail) I placed the document for collection and deposit in the mail. I am familiar
23 with this firm's practice for the collection and processing of correspondence for
24 mailing. Under that practice, the document would be placed in a sealed envelope and
25 deposited with the U.S. Postal Service on that same day with postage thereon fully
26 prepaid at 2029 Century Park East, Third Floor, Los Angeles, California 90067-
27 2904, in the ordinary course of business. The documents served were placed in
28 sealed envelopes and placed for collection and mailing following ordinary business
practices.

(E-mail)

I declare under penalty of perjury under the laws of the State of California and
of the United States of America that the foregoing is true and correct.

Executed on July 1, 2011, at Los Angeles, California.

Cheryl Caldwell
(Type or print name)

/s/ Cheryl Caldwell
(Signature)